

MINUTES
Halibut Charter IFQ Committee
March 22-23, 2000

Committee members Dave Hanson (chairman), Mike Bethers, Steve Campbell, Tim Evers, John Goodhand, Brett Huber, Dave Kubiak, Andy Mezirow, Larry McQuarrie, Tom Ohaus, Jim Preston, and Bob Ward were in attendance. Technical advisors David Brindle, Gail Vick for Duncan Fields, Gerry Merrigan for Arne Fuglvog, Tim Hinkel, and Mark Lundsten also attended. Don Lane did not attend. Jane DiCosimo, Chuck Hamel, Jay Ginter, Phil Smith, Rob Bentz, Doug Vincent-Lang, and Earl Krygier provided staff support. More than eight members of the public also attended. The meeting convened in Anchorage at approximately 1 pm.

PROBLEM STATEMENT

The committee discussed the problems in the halibut fishery that would be addressed by a charter IFQ program. Committee comments were incorporated into the following statement.

Pacific halibut are a fully-utilized resource. Management actions should recognize the economic and social needs of overcapitalized and undercapitalized communities. Local depletion should be minimized to the extent practicable, while recognizing there are other user groups (commercial, sport, subsistence) that may be contributing to the depletion.

The halibut charter GHL does not allow for stability in the halibut charter fleet, or accessibility, affordability, and harvest opportunity for the recreational angler, in the face of decreasing halibut abundance and increasing fishery participation. The GHL, calculated as a percentage of a combined charter and commercial quota, and the lack of a moratorium (limited entry), prompted the charter industry to propose developing a charter IFQ program to address the following problems in the fishery. Implementation of restrictive harvest management measures under the GHL will have negative impacts on charter operators, particularly for long-term, invested, and established operators. Continued allocation battles are inevitable until a stable management regime can be established that is equitable to all user groups. This problem statement may conflict with the Council's current GHL problem statement (#2 and #3).

- 1) lack of long-term industry stability
- 2) lack of growth for public access in terms of:
 - accessability
 - harvest opportunity
 - affordability
- 3) declining abundance
- 4) eliminate or diminish allocation conflicts that would continue under a GHL
- 5) recognize that localized depletion due to time and area constraints for all user groups, may be addressed by LAMPs (general statement)

The committee discussed a proposal from Kodiak community members for a charter community-based pool for undercapitalized ports. The committee suggested that this proposal could be combined with the Gulf Coastal Communities Coalition proposal to allow community-based QS in both the commercial and charter sectors on a separate track so as not to delay the current analysis. The intent of the charter QS pool, however, is for initial issuance of charter QS. The committee technical advisors proposed that initial issuance of community-based charter QS come from the charter sector, while the committee members proposed that it come from the combined commercial/charter pool.

A number of elements and options addressed local community needs; i.e., some communities are overcapitalized and aim to limit new entry, while others are undercapitalized and want to encourage additional local entry. In the first year of the program, A high amount of QS transfers may occur after initial issuance to match local needs. The committee discussed numerous limitations on the transfers of QS between and within sectors to limit consolidation of charter QS by too few individuals, vessels and ports. The committee determined that LAMPs may address many of these issues. As a first step, ADF&G staff will report to the Council in April on the data available to assess the transferability and consolidation of charter QS by port.

ELEMENTS AND OPTIONS FOR ANALYSIS

The committee recommended the attached suite of 57 elements and options for analysis of adding the charter sector into the current commercial halibut IFQ program.

GENERAL COMMENTS

The Charter IFQ program would replace the recently approved Guideline Harvest Level (GHL) program.

All reported crew and skipper fish harvested and reported in 1998 and 1999 logbooks will be included in the total amount of fish in the charter initial QS pool in each area.

IPHC length/weight tables are not always applicable to all ports, and the committee encourages IPHC to reexamine its recent data to make appropriate revisions to the conversion tables.

Under the Magnuson-Stevens Act, the charter industry may not be eligible for federal loan program unless it is defined as “commercial.”

There is public concern that the bag limit should remain at 2 fish under a QS program in combination with reduced halibut abundance.

NEXT MEETING

The next meeting of the IFQ Charter Committee and its technical advisors is scheduled for 1 pm on Monday, April 10, 2000 at the Anchorage Hilton. The committee will review the recommendations from this meeting and make any additional recommendations to the Council, as needed.

ADJOURN

The committee adjourned at approximately 4 pm on Thursday, March 23.

COMMITTEE RECOMMENDATIONS ON ELEMENTS AND OPTIONS FOR CHARTER IFQ ANALYSIS

Issue 1. Qualification Criteria

Initial allocations will be based on an individual's participation and not the vessel's activity. Anyone not meeting the qualification criteria would have to purchase QS or transfer (lease) IFQs to participate in the halibut charter fishery.

- Option 1. Halibut charter operators who carried clients in 1998 and 1999 and who submitted ADF&G logbooks (as received by ADF&G by February 12, 2000)
- Option 2. Halibut charter operators who carried clients in 1998 or 1999 and who submitted ADF&G logbooks (as received by ADF&G by February 12, 2000)
- Option 3. Halibut charter operators who carried clients prior to June 24, 1998 and who submitted at least one ADF&G logbook (not specified by committee: in 1998 or 1999) (as received by ADF&G by February 12, 2000)
- Option 4. four out of five years between 1995-1999 as evidenced by IPHC and CFEC licenses for 1995-99 and submitted logbooks for 1998 and 1999
- Option 5. four out of five years between 1995-1999 as evidenced by IPHC and CFEC licenses for 1995-99 and submitted logbooks for either 1998 or 1999

Issue 2. Initial allocation of IFQs would be issued to U.S. citizens or to U.S. companies on the following basis:

- Option 1. Charter vessel owner/operator - individual who owns and operates (captains) the charterboat and charterboat business
- Option 2. bare vessel lessee - person that leases a vessel and controls its use as a charterboat for this fishery. May operate the vessel or may hire a captain/skipper. Lessee determines when the vessel sails and by whom captained
- Option 3. owners of charteboats that hired licensed captains/skippers - persons that owned the vessel that they controlled as a charterboat but hired a captain/skipper to operate the vessel
- Option 4. hired skipper - individual without financial interest in the vessel, hired for the labor only of operating a charterboat and paid a wage or commission as compensation

Issue 3. To receive halibut charter IFQ by transfer:

- Option 1. Must be an individual;
3 years apprenticeship as deckhand and reference letters from captains
Must hold USCG license;
- Option 2. Must be an initial charter issuee

Option 3. Must be a new charter operator (defined by State of Alaska requirements)

Option 4. Must be eligible commercial operator

Issue 4. Transferability of QS (permanent) and IFQs (on annual basis [leasing])

Option 1. Within a sector

suboption. 3-yr one way transfer from commercial to charter

Option 2. Within an area

Option 3. Two-way (between commercial and charter sectors).

Option 4. Caps

suboption 1. no caps - free transferability

suboption 2. on percentage of annual IFQ transfers (de facto leasing) between sectors

suboption 3. not to exceed 25% of total QS and IFQ and 5% of annual QS and IFQ transfers from charter to commercial; not to exceed the amount needed to meet the area GH (1.4 M lb in Area 2C and 3.91 M lb in Area 3A) from commercial to charter

suboption 4. eliminate commercial blocks; allow splitting of commercial blocks

suboption 5. on percentage of QS transfer between sectors

suboption 6. allow splitting of commercial blocks for transfers to charter sector

suboption 7. from commercial B, C, and D only vessel category sizes to charter

suboption 8. from charter to commercial 1) D category only; 2) B, C, and D category

suboption 9. initial transfer from undesignated charter to a particular commercial vessel category locks in at that commercial category

suboption 10. one transfer of QS/IFQ each year between a sector

suboption 11. minimum size of transfer is range of 20-72 fish

Issue 5. Initial IFQs may be based on:

Option 1a. 100 percent

Option 1b. 125 percent

suboption. Set aside 5-10% of 125% for appeals

Option 1c. 200 percent

of:

Option 2a. 1998 logbook harvest

Option 2b. 1999 logbook harvest

Option 2c. operator would choose either 1998 or 1999 logbook harvest

Option 2d. average of 1995-99 logbook harvest

Option 3. 70% of 125% of 1998 & 1999 logbook average with an additional 10% (of the 125%) added for each year of operation 1995-97. The balance could then be re-issued to the whole group of participants (some individuals vessel's total could be over 125% of the 1998 and 1999 logbook average, new entrants may receive only 70% of their 1998 and 1999 logbook average), or this balance could be set aside for initial issue hardships (longevity reward)

Option 4. 70% of 125% of 1995-1999 logbook average with an additional 10% (of the 125%) added for each year of operation 1995-97. The balance could then be re-issued to the whole group of participants (some individuals vessel's total could be over 125% of the 1998 and 1999 logbook average, new entrants may receive only 70% of their 1998 and 1999 logbook average), or this balance could be set aside for initial issue hardships (longevity reward)

Option 5. client days fished

Option 6. Modified Kodiak proposal: 5-30% for A, 33% for B, 37-62% for C (see attachment)

Part A: each individual gets an equal percentage of the qualified pool as identified by the Council's final action

Part B: each individual's average 98/99 logbook harvest as percentage of overall harvest is multiplied by 33% of the average 1995-99 logbook (GHL).

Part C: one point for each year of participation during 1995-99

Issue 6. IFQs associated with the charter quota shares may be issued in:

Option 1. Pounds

Option 2. Numbers of fish (based on average weight determined by ADF&G)

Issue 7. Reporting:

Option 1. QS holders may be required to report their landings at the conclusion of their trips

Option 2. logbook

Issue 8. Other aspects of charter QS

Option 1. ownership cap of 1/2 or 2% of charter QS units by area, grandfather initial issues

Option 2. maximum line limit of 12 in Area 3A (remains at 6 lines for Area 2C), grandfather initial issuees

Option 3. 10% rollover provision

Option 4. appeals process

Option 5. recovery of program costs

Issue 9. Charter IFQ program for Areas 2C and 3A only

Issue 10. Duration of charter IFQ would have no specific ending date (similar to commercial IFQs)

Issue 11. Charter IFQ program replaces the recently approved Guideline Harvest Level (GHL) program